

Hearing Date: May 26, 2010 at 10:00 a.m. (prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
	:
LEXINGTON PRECISION CORP., <u>et al.</u>,	: Case No. 08-11153 (SCC)
	:
	: (Jointly Administered)
Debtors.	:
-----X	

**OFFICIAL COMMITTEE OF UNSECURED
CREDITORS' RESPONSE TO DEBTORS' OMNIBUS REPLY**

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors, Lexington Precision Corporation ("Lexington Precision") and Lexington Rubber Group, Inc. ("LRGI" and, collectively with Lexington Precision, the "Debtors"), for its Response to the Debtors' Omnibus Reply (the "Reply") to Objections to Approval of the Debtors' Proposed Disclosure Statement (the "Proposed Disclosure Statement") in respect of the Debtors' Fourth Amended Joint Plan of Reorganization (the "Proposed Plan"),¹ respectfully represents:

1. The stridence of the Debtors' Reply to the Committee's objection (*See Reply*, ¶ 1) is unfortunate and out of line (given the facts here), but it would not be productive to address

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Proposed Disclosure Statement.

such remarks. The Committee believes that these cases are on their way to a successful resolution. The Committee, however, has a fiduciary obligation to endeavor to make all aspects of such successful resolution fair, reasonable and equitable to all unsecured creditors.

2. The principal focus of the Committee's pleading in respect of the Debtors' proposed disclosure statement is the treatment of Class 17, unsecured creditors of Debtor, LRGI. LRGI is a solvent estate. Its creditors are structurally senior to unsecured claims of the parent Debtor, Lexington Precision Group. Undersigned counsel to the Committee has advised the Committee that Debtors' proposed post-effect date interest rate on deferred payments to Class 17 is woefully inadequate.²

3. It is certainly a reasonable, contrasting datapoint that the post Effective Date interest rate on deferred payments to the Debtors' secured debt, which has a lien on all or substantially all of the Debtors' (including LRGI's) assets is approximately 14.5% per annum.

4. Based on the foregoing, the Committee requests that the letter annexed as Exhibit A be included in the Debtors' solicitation materials.

² Counsel to the Committee has also advised the Committee that post-petition pre-effective date interest rate is too low.

WHEREFORE, the Committee respectfully requests that the Court grant such relief as the Court may deem just and proper.

Dated: New York, New York
May 25, 2010

ANDREWS KURTH LLP

By: /s/ Paul N. Silverstein

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